

**NORTH MIDDLETON AUTHORITY**

**Board Meeting**

June 19, 2017

Place: North Middleton Authority  
Administration Building  
240 Clearwater Drive  
Carlisle, PA 17013

Time: 6:00 PM

Present: Authority members present were: Jim Hurley, Bob Reisinger, Stanley Dye and Greg Lebo. Also present were Hannah Stewart of GHD, Engineer; Hubert Gilroy, Solicitor; and Brian White, Chief Operator.

Visitors: Tracey Rash, Maher Duessel, CPAs

**MINUTES:**

Mr. Reisinger made a motion to approve the Minutes of the Board Meeting held on May 15, 2017. Mr. Lebo seconded the motion and it passed unanimously.

**VISITORS:**

**Ms. Tracey Rash from Maher Duessel, CPAs, presented NMA's 2016 audit and financial highlights.**

Ms. Rash called the Board's attention to the 3<sup>rd</sup> page of the Financial Statement, and reviewed the responsibilities of Management and the Auditors. She stated that the Opinion of the Auditor was a clean opinion on the Authority. She added that this is an unmodified opinion which is the best opinion you can get, which states that the Financial Statements are materially correct.

Ms. Rash said that the final paragraph on the first page says that there is a portion of the Financial Statement that is what's called "Required Supplementary Information" and is required to be put in the Financial Statement, but it is actually not required. This means that if NMA doesn't put it in, she reports that it was not put in. She stated that we did not put it in and she reported that we did not; and that is consistent with the prior year.

On the Balance Sheet, Ms. Rash noted a few changes. The Total Assets reflected about a \$50,000 increase from last year. Net Pension Assets show \$0 this year and Net Pension Liability shows \$126,944 (and \$0 in the prior year). She explained that we are in PMRS and PMRS reports a year behind. Our Assets on 12/31/15 reflected the fair value of PMRS's Assets at the end of 12/31/14. The Assets in our plan exceeded the actuarially-accrued Liabilities. For 12/31/16, which is the fair value of Assets of 12/31/15, when the market went down; there was a deficit of Assets compared to Liability. We expect next year to see the loss made up.

Liabilities went from \$6.2M to \$5.6M. Ms. Rash explained this was mostly due to principal payments of approximately \$685,000 which were offset by the increase in Net Pension Liability.

Revenues were up 1% and Expenses were down 1%. Connection and Other Fees increased by about \$100,000. Included in that number was Meadowbrook escrow, in which \$42,000 was taken into income. Capital Contributions had no dedications this year.

With respect to the Footnotes, there was nothing that changed from the prior year except for the pension information.

Ms. Rash directed the Board to the Communication to Those Charged with Governance Letter and said there is nothing that has changed from prior years. The Management Letter discusses some internal control matters found during the Audit process, but an opinion is not given on internal control. She reviewed "Other Matters" that are inconsequential to the Audit but that were reported. Two are repeat items from the prior year. The third is just a change in an accounting standard that is coming up for the Authority.

As part of the Audit process, Ms. Rash provided the DCD Report for the state, and reported that Maher Duessel filed it for the Authority.

Mr. Reisinger noted that it seemed like there had been an increase in PMRS information in the report this year, and Ms. Rash answered that last year was when it expanded when the new standard was implemented.

Ms. Rash concluded the report by informing the Board that no material adjustments needed to be done and

commended the NMA staff on doing a good job preparing for and participating in the audit.

Mr. Reisinger made a motion to accept the Financial Report. The motion was seconded by Mr. Lebo, and passed unanimously.

#### **SOLICITOR'S REPORT:**

Mr. Gilroy provided a summary of working on the Brubacker project (regarding Mr. Wentz) with Mr. Koch. Mr. Gilroy is going to call the developer and suggest that it will cost him \$1,000 to \$3,000 to re-engineer the metering pit on his own property and that maybe Mr. Wentz could be offered that amount as a token value. He said that other than that, Mr. Koch is not in agreement to do anything more. He added that the developer could offer anything, but the Authority will not.

#### **ENGINEER'S REPORT:**

Ms. Stewart reviewed a written summary of GHD's activities on behalf of the Authority:

Marion Avenue Pump Station Upgrade: All permits have been received. GHD provided a 90% design submittal for review on May 19, 2017. GHD has requested a 90% Review Meeting.

Brubacker Development: Tim Parthemore continues to review updates and is consulted as needed.

Chlorine Booster at the Elevated Water Tower Project and Miscellaneous Water: NMA is constructing and consulting GHD as needed. At the meeting, Ms. Stewart added that GHD is fairly done with its involvement in this project.

Annual Report: A draft of the report was submitted to NMA on June 2, 2017. GHD is awaiting comments/approval from NMA.

Miscellaneous: Prior to the beginning of the meeting, Ms. Stewart announced that she was relocating and that another engineer from GHD will be representing the Authority by next month.

#### **MANAGER'S REPORT:**

Brian White reviewed Mr. Koch's written report, which was sent to Board Members prior to the evening's meeting. It included:

Chlorine Booster Station- We have begun work on the chlorine booster station. The Township road crew has been helping with this project and their assistance has been greatly appreciated. To date, we have poured the concrete slab and footers and set the exterior walls. Roof trusses should be on site this week. We roughed in the conduits to pull the water sampling lines and chemical injection lines to the three doghouse manholes. We installed the grinder pump and force main to the sewer system and started tapping the main line this week. The concrete manholes are on order and should be ready for installation the week of June 26, 2017. The control system equipment for monitoring and injecting the chlorine solution is all on order. We continue to work on this project as time permits and as personnel is available.

### **Developments**

Brubacker Project: After numerous visits with Mr. Wentz for the easement and placement of the water meter building on his land, it seems we have an issue. The ideal location for the water meter building for now and the future is on Mr. Wentz's property close to the Turnpike. This site is also acceptable to the Borough of Carlisle. Putting the building on Mr. Wentz's property will enhance his ability to sell his property, which is his desire. For the past several months, Mr. Wentz recognized that the water and sewer lines coming past his property would enhance his ability to sell his land. But now, he has had a change of heart and he wants to be compensated for this land.

The developer has indicated to Mr. Koch that he still wants to proceed with this project, but Mr. Koch is certain this will not sit well with them. The developer has been patient, but has stated if we can't get a deal with Mr. Wentz, then we should allow him to proceed with the project and let him build the water meter structure on his land several hundred feet north of Mr. Wentz's project.

What Mr. Wentz does not understand or maybe he doesn't care, is that if the Brubacker tract does proceed and if we allow the Brubacker subdivision to locate this equipment on their own land, when Mr. Wentz's property is sold, the buyer will need to build their own water meter building and sewer monitoring equipment at desired site. Current estimate for this building and monitoring equipment is \$125,000.

Mr. Koch recently consulted with Mark Malarich, Borough of Carlisle's engineer, about the current situation,

and for the record, he stated that if the building is located at a different site, any future connection prior to the master metering equipment would require an additional master metering station(s) or relocation of the equipment.

Mountain View Estates: On May 18, 2017, we received a letter with draft language for a Developer's Agreement which would incorporate and update the 2009 Authority Agreement with Fred A. Gettys to upgrade the Wertz Run Interceptor. Mr. Koch read the agreement, paying close attention to the draft language regarding the Wertz Run Interceptor upgrades. He sent a letter to Deb Ealer's attention regarding the draft language and proposed dates with the agreement. The dates within the draft did not make any sense to Mr. Koch, so a meeting was set up with Lee Bothell from ALPHA Engineering. Mr. Koch met with her this week. She totally agreed with his assessment and is working to have this corrected.

Bennington Square: This is a project from the 2005-2008 time period which seemed to fall away and out of sight during the economic downturn. It now is in the process of being revisited. As we have already purchased this capacity from the Borough of Carlisle for this area, this is a good thing. The project is located along McClure's Gap Road just north of Newville Road and prior to the Turnpike, and the Board will be updated of further developments on this issue.

Consumer Confidence Reports for Water: The Consumer Confidence Reports (CCRs) for water have been posted to the Authority's web site. All rate payers were provided a notice with their May invoice statement. For non-rate payers such as United Mobile Homes & Schlusser's Apartments residents, we provided a notice for the landlords to post, which states the CCRs are available on the Authority's web site. Both notices provided instruction on how to access the web site. The notices also stated that anyone can request a paper copy by calling or stopping by the Authority's office.

We also sent copies of the three CCR reports with the certification form to the Pennsylvania Department of Environmental Protection, York Offices.

**SUPERVISORS' REPORT:**

Mr. Reisinger had no report.

**TREASURER'S REPORT:**

Mr. Dye reported on bills that were paid in May and stated that operating costs were as follows:

for water,                   \$    93,402.48  
 for sewer,                   229,963.01

He made a motion to approve payment of the bills. Mr. Reisinger seconded the motion and it passed unanimously. Mr. Dye then made a motion to requisition from North Middleton Township:

for water,                   \$    45,469.01  
 for sewer,                   68,635.61

Mr. Lebo seconded the motion and it also passed unanimously.

Mr. Shatto then made a motion to approve:

**From the Orrstown Capital Account:**

<u>Req. #</u>	<u>To</u>	<u>For</u>	<u>Amount</u>
O-250	Tri-Boro Construction	Chlorine Booster Station	\$ 165.90
O-251	Site Specific Design	Chlorine Booster Station	4105.00
O-252	Grainger	Chlorine Booster Station	1389.65
O-253	New Enterprise Stone	Chlorine Booster Station	1483.50
O-254	Northeastern Supply	Chlorine Booster Station	266.69
O-255	Carter Lumber	Chlorine Booster Station	144.07
O-256	L/B Water Service	Chlorine Booster Station	497.18
O-257	R.F. Fager	Chlorine Booster Station	31.29
O-258	The Meter Guy	Chlorine Booster Station	2862.00
O-259	Monarch Products	Chlorine Booster Station	45.00
O-260	Borough of Carlisle	4 <sup>th</sup> Qtr 2016 Sewer Capital	644.44
O-261	Blackbaud	Partial Bill-Accounting	5427.00
O-262	GHD	Engineer-Annual Report	1190.00

**From the Orrstown Capital Account (Cont'd):**

<u>Req. #</u>	<u>To</u>	<u>For</u>	<u>Amount</u>
O-263	GHD	Engineer-Marion Ave/ PR FM	8448.50
O-264	Orrstown VISA	Truck Mats/Booster Station	203.96

Mr. Dye seconded the motion, and it carried unanimously.

**SECRETARY'S REPORT:**

Mr. Lebo commented on:

- A note from a customer included with payment thanking NMA for our role in making NMT a great place to live.
- A letter from Mr. Gilroy with two copies of the Addendum to the Deed of Easement involving the School District and the Brubacker tract.
- A letter from Brian White to Aaren S. Alger, Bureau of Laboratories, responding to the Onsite Assessment conducted on February 28, 2017.
- A letter from PMAA concerning the Conference in Hershey on September 10-13, 2017.
- An email copy of a right-to-know request regarding NMA employee's payroll information.
- An email from Brenda Sorresso regarding the water survey on the Longs Gap Road area. She wants a special meeting held. Mr. Koch responded to her.
- Corrected CCRs uploaded to the Internet and notice on Facebook page.

**PERSONNEL COMMITTEE:**

None.

**OLD BUSINESS:**

Mr. Hurley asked Mr. Reisinger if anything had been done yet regarding water testing. Mr. Reisinger

replied that none has been done yet, but that he will bring it up to the supervisors at their next meeting.

**NEW BUSINESS:**

Mr. Hurley thanked Ms. Stewart for her service during her tenure as NMA Engineer through GHD.

**ADJOURNMENT:**

The meeting was adjourned at 6:25 PM.

Respectfully submitted,

Greg Lebo  
Secretary

Mary Dutchess  
Recording Secretary